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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 24, 2012

CERTIFIED RETURN RECEIPT
7011 0110 0001 3568 0550

Brent Cox
Cox's Transport, Inc.
50 East 100 North
Manti, Utah 84642

Subject: Review of Reclamation Surety, Cox's Transport, Quarry Mine, S/023/096, Juab County, Utah

Dear Mr. Cox:

In a letter dated August 22, 2012, the Division of Oil, Gas and Mining notified you that the permit fee for the Quarry mine had not been paid and that it was necessary to adjust the reclamation surety amount to account for changes in reclamation costs.

Thank you for the permit fee payment which was received September 6, 2012.

The Division's letter indicated it was necessary to increase the surety to \$12,200.00. This amount was in error. It is for exploration projects rather than mines, so it does not include escalation. Nevertheless, the Division is willing to accept this amount as the escalated surety through 2013. The amount would need to be re-adjusted in 2014.

Alternatively, the surety could be increased to reflect the correct inflation figures for three or five years. In this scenario, the amount would not need to be adjusted again until 2015 or 2017. The amounts needed would be:

\$12,700.00 three-year escalation to 2015
\$13,000.00 five-year escalation to 2017

Because of its error, the Division is unilaterally extending the deadline for submitting the increased surety to February 8, 2013. Failure to timely file the increased amount or to request an extension to the deadline may result in enforcement action and associated fines.

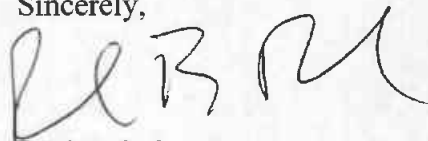


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As discussed in the letter of August 22, 2012, please contact the bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional bond. Your current bond is in the form of certificate of deposit. You may increase the amount in the CD, or you may submit a letter of credit, a surety bond, or cash for either the increased or the full amount. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

Please call Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions about this letter. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written in a cursive style.

Paul B. Baker
Mining Program Manager

PBB:whw:pb

cc: Jerry Mansfield, BLM
Duane Bays, BLM

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